
Presentation Background Report

Economic Development Administration

THE EFFECTIVENESS OF EDA PROGRAMS

Public Works, Defense Adjustment, Revolving Loan Funds

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THE PERFORMANCE OF EDA PROGRAMS—THREE STUDIES

OVERVIEW

This summary presents the results of three research studies undertaken in the period 1997 through 2002 for the Economic Development Administration (EDA). The studies represent a performance evaluation of three of EDA's major programs: the Public Works, Defense Adjustment, and Revolving Loan Fund (RLF) Programs. Before these evaluations, little was known about the success rate, job-producing abilities, or costs per job of EDA programs. The purpose of the evaluations was to observe how well EDA programs performed. In other words, did EDA programs get off the ground, did they produce jobs, and were the jobs produced at reasonable costs?

Heading a team of universities and private consulting firms, the Center for Urban Policy Research at Rutgers University, directed fieldwork, conducted analyses, and wrote the reports that composed the performance evaluations. The series of reports emanating from the evaluations encompassed 2,000 pages contained in six volumes. In each case, the evaluation involved not a sample of program participants, but rather the universe; not merely descriptive analysis, but full empirical treatment; and finally, not just an agency-distributed report, but a report that was distributed to all subunits of EDA and to economic development professionals.

The studies subjected the various EDA programs to exhaustive scrutiny. Each achievement was verified through physical checking of reported jobs, by reviewing copies of reports or planning efforts funded, or by visiting the sites of completed construction projects.

The results of the reports were then presented to the economic development community through a series of national and regional conferences. At those conferences, methods, results, and interpretations were all subject to peer review.

The results appear on the following pages. In summary, they are as follows:

- EDA's funded projects are up and running in 98 to 99 percent of the cases.
- EDA's capital projects are on time in 80 to 90 percent of the cases.¹
- EDA's capital projects come in *under budget* in 52 percent of the cases.
- EDA's funded projects produce private-sector employment in 96 to 98 percent of the cases.
- EDA's capital projects produce jobs at approximately \$3,000 to \$8,000 apiece; EDA's RLF projects produce jobs at approximately \$1,000 apiece.

Each of the programs is summarized in a similar format. The summary takes the following form: a study overview, study procedures, project type and context, project completion, project impacts, and conclusions.

The summary begins with the Public Works Program, moves to the Defense Adjustment Program, and concludes with the Revolving Loan Fund Program.

¹ Funded noncapital projects often involve the production of reports or plans or a revolving loan to expand or start a business. These projects, in some cases, take longer than do capital projects, but they almost always come in at or under budget.

PUBLIC WORKS PROGRAM PERFORMANCE EVALUATION (STUDY #1)

STUDY #1 OVERVIEW

- Since 1965, EDA's mission has been to promote the long-term recovery of economically depressed areas through public works project grants that assist local governments in generating and retaining jobs and in stimulating commercial and industrial growth.
- The purpose of this research was to evaluate Economic Development Administration (EDA) Public Works Program projects that received their last payment in FY 1990. This means that, as of that date, the projects were completed and structures associated with them were either occupied or soon-to-be occupied. Thus, at the time of the research—late 1996—the projects had been sufficiently established (six years) to make the evaluation possible.

STUDY PROCEDURES

- The study was undertaken from November 1996 through March 1997 by research teams from five universities and a major professional organization. The study was directed by personnel from Rutgers University and assisted by personnel from the New Jersey Institute of Technology, Columbia University, Princeton University, the University of Cincinnati, and the National Association of Regional Councils. All principals of the research teams had extensive experience in both economic development and infrastructure studies. Each principal spent significant time in the field researching individual projects and talking to grantees. Each principal and affiliated staff participated in some aspect of research analysis and in writing the final report. All concurred with the findings. The report that emerged from the work of the study team titled *Public Works Program: Performance Evaluation*.²
- The research team contacted by mail and telephone 205 grantees of public works projects. To help the grantees better understand the purpose and types of information necessary to undertake the evaluation, all grantees were invited to attend seminars conducted by the research team at 13 locations nationwide. In addition, 60 project sites to conduct in-depth discussions with grantees to learn more about their individual projects' impacts and to validate the information that they were providing.
- The analysis used performance measures developed by EDA specifically to evaluate public works projects. Performance measures encompassed numbers of created or retained jobs and amounts of private- and public-sector funds leveraged.

	<i>Number</i>	<i>Percentage</i>
Buildings	27	13.3
Industrial Parks	59	29.1
Roads	17	8.4
Water/Sewer	87	42.8
Marine/Tourism	13	6.4
Total	203	100.0

² Robert W. Burchell, Louis J. Pignataro, F.H. Griffis, John W. Epling, Andrew F. Haughwout, David Varady, Johanna Looye, and others. *Public Works Program: Performance Evaluation*. New Brunswick, N.J.: Center for Urban Policy Research, Rutgers University, 1997.

PROJECT TYPE AND CONTEXT

- From a universe of 205 EDA public works projects receiving a closeout payment in FY 1990, all 205 were successfully contacted.
- The composition of the 203 completed³ public works projects was as indicated in Table 1.
- After analyzing U.S. Census data for the time these projects were being undertaken (1990), the research team pieced together the following contextual description: EDA public works projects took place in locations where levels of unemployment and percentages of the population below the poverty level were 40 percent worse than state and national averages. These were locations where per capita income was also 40 percent worse than averages found at the state and national levels.

PROJECT COMPLETION

- Of the public works projects contacted by the research team, 99 percent (203) were completed as planned.
- Ninety-one percent (185) of the projects were completed on time.
- Fifty-two percent (105) were completed under budget.

PROJECT IMPACTS

Project-Related Direct Impacts

- Ninety-six percent (195) of the public works projects produced permanent jobs six years after completion.
- Eighty-four percent (171) of the projects leveraged private-sector investment over the period.
- On average, each public works project produced 325 direct permanent jobs for every \$1 million of EDA funding.
- Based on average EDA funding of \$660,000 per project, about \$3,000 in EDA funding was spent per job created or retained. Total cost (all sources of funding, including EDA) per job created or retained was about \$5,000.
- Applying only to private-sector projects, for every \$1 million of EDA funding, \$10 million was leveraged in private-sector investment.
- For all projects (public and private), for every \$1 million of EDA funding, another \$1 million was leveraged in federal, state, or local investment.

Nonproject-Related Indirect Impacts

- Nonproject-related indirect jobs (those that occur because of the project or the project's jobs) were found to be present in 35 percent of all public works projects.
- Of these projects, \$1 million of EDA funding generated about 114 additional jobs and more than \$1.3 million in additional private investment.
- Other than those cases where the project was tax exempt, EDA's projects increased the local tax base by about \$10 million for \$1 million of EDA funding.

³ Two projects aborted and were not constructed because of local financial or market reasons.

PROJECT IMPACTS (GENERAL)

- Public works projects' economic impacts generally increase over time. Jobs resulting six years after completion were, on average, twice the number counted through survey at project completion.
- EDA public-sector economic stimuli create private-sector jobs at high levels of success and low levels of cost.

CONCLUSIONS—STUDY #1

- Most of the public works projects achieved EDA's objective of providing communities with the necessary infrastructure to expand their economic base.
- Jobs and private investment occurred in many areas that would not have experienced these benefits without EDA assistance.
- EDA offices as an instrument of government and EDA field representatives who interact with grantees were well regarded by their constituencies.
- Regional planning in the form of the EDA's Comprehensive Economic Development Strategy (CEDS) proved to be a key enabling agent for project fruition.

**DEFENSE ADJUSTMENT PROGRAM PERFORMANCE EVALUATION
(STUDY #2)****STUDY #2 OVERVIEW**

- Direct appropriated funding to EDA for the Defense Adjustment Program began in FY 1994. From 1992 to 1994, EDA received transfers of funds for defense projects from the Department of Defense's Office of Economic Adjustment (OEA). The primary objective of this program and its projects was the restructuring of local economies to diversify away from dependence on former defense bases or defense contractors impacted by closure or cutback.
- The purpose of this research was to evaluate Economic Development Administration (EDA) Defense Adjustment Program grant projects approved during the period FY 1992 through FY 1995. The Defense Adjustment Program, therefore, was relatively young as of 1997, and the defense construction and capacity-building projects (planning and technical assistance) were just taking hold. While their relative recency at the time did not allow for an evaluation of these projects at full maturity, their accomplishments at this early phase were nonetheless quantified.

STUDY PROCEDURES

- The research team was the same team that studied the public works projects. As in the case of the public works evaluation, all research team members spent time both in the field and writing reports, and all concurred in the findings. The research report that

emerged from the study team was titled *Defense Adjustment Program: Program Evaluation*⁴.

- The research team contacted by mail and telephone 190 grantees of defense adjustment projects. To help the grantees better understand the purpose and types of information necessary to undertake the evaluation, all grantees were invited to attend seminars conducted by the research team at 13 locations nationwide. The research team visited 42 project sites to conduct in-depth discussions with grantees to learn more about their individual projects’ impacts and to validate the information that they were providing.
- The evaluation was undertaken using performance measures developed by EDA specifically to assess the productivity of defense adjustment projects. Performance measures for defense construction projects involved numbers and types of jobs created or retained and amounts of private-sector funds leveraged. For capacity-building projects, the performance measure was a grantee rating of the quality and impact of the EDA capacity-building effort.

PROJECT TYPE AND CONTEXT

- From a universe of 190 EDA defense adjustment projects that were approved from FY 1992 through FY 1995, all 190 were contacted.
- The 187 grant-funded projects analyzed in this study⁵ include 162 single-element projects, 20 double-element projects, and five triple-element projects. These sum to 217 total project elements funded through the 187 EDA grants (Table 2).

From 1987 to 1997, approximately 2.5 million defense-dependent jobs were lost due to defense downsizing. EDA’s Defense Adjustment Program was a direct response to base closures, base downsizing, and/or reduced defense contracting. Cutbacks were often sudden and severe for their host communities. In addition, projects were in locations where the percentage of the population below the poverty level was 20 percent higher than state and national averages; also per capita income was 25 percent lower than averages at the state and national levels.

<i>Grant Funded Projects</i>	<i>Number</i>	<i>Project Types</i>	<i>Number</i>
Single-Element Projects	79	Construction	79
	69	Capacity Bldg.	69
	14	RLF	14
Double-Element Projects	2	Constr./Cap.	4
	16	Cap./RLF	32
	2	Constr./RLF	4
Triple-Element Projects	5	Constr./Cap./RLF	15
Total	187		217

PROJECT COMPLETION

- Of the 190 defense adjustment projects contacted by the research team, 98.5 percent (187) were initiated as planned.

⁴ Robert W. Burchell, Louis J. Pignataro, F.H. Griffis, John W. Epling, Andrew F. Haughwout, David Varady, Johanna Looye, and others. *Defense Adjustment Program: Performance Evaluation*. New Brunswick, N.J.: Center for Urban Policy Research, Rutgers University, 1997.

⁵ Three projects were never funded due to grantee financial problems (2) or cross-purposes between the grantee and the EDA regional office (1).

- Of those undertaken, about 97 and 98 percent of defense construction and capacity-building projects, respectively, moved to completion.
- Of those undertaken and completed, 80 percent of the defense construction projects were completed on time; 56 percent of the capacity-building projects were completed on time.
- Of those undertaken and completed, about 90 percent of defense construction projects came in *at or under* budget; the figure for capacity-building projects was 97 percent.

PROJECT IMPACTS

Project-Related Direct Impacts: Defense Construction

- On average, completed defense construction projects (49) produced about 31,000 permanent jobs, or 125 jobs per \$1 million of EDA funding. These jobs were produced at an EDA cost of about \$8,000 per job and at a total cost (all sources of funding) of about \$12,000 per job.
- Private-sector defense construction projects (43 of 49) leveraged \$722 million in private-sector investment, or \$2.2 million per \$1 million of EDA funding.

Table 3 DEFENSE CONSTRUCTION AND CAPACITY-BUILDING PROJECTS— PERMANENT JOBS (Medians) (49 Completed Defense Construction and 31 Completed TA* Capacity-Building Projects)		
	<i>Defense</i> <i>Construction</i>	<i>Capacity</i> <i>Building(TA)</i>
Jobs Per \$1M EDA	124	63
EDA Cost Per Job	\$8,052	\$13,633
Private-Sector Investment Per \$1M of EDA Funding	\$2.2 M	N/A

*Technical Assistance

Project-Related Direct Impacts:
Capacity Building

- Capacity-building projects, by their definition and design, are not intended to create jobs directly, but to increase the planning, organizational, and technical skills needed for local economic development. Nevertheless, some jobs result as an indirect by-product of those project goals. Completed capacity-building (technical assistance) projects (31) produced 63 permanent jobs per \$1 million of EDA funding at an EDA cost of \$13,600 per job and a total cost of \$19,400 per job (Table 3).⁶
- Permanent jobs coming from capacity-building technical assistance projects reflect developments such as stalled businesses being matched with new markets, workers being more employable due to training, and businesses generating more money because they have been made more efficient.
- Completed capacity-building projects also produced adjustment strategies, heightened community involvement and planning, implementation strategies, and market/feasibility studies. EDA capacity-building efforts were further rated by grantees as indicated in Table 4.

⁶ Direct job creation is an incidental benefit of capacity-building projects, which generally support subsequent projects having direct job creation.

Table 4
GRANTEE RATING OF CAPACITY-BUILDING PROJECTS (Means)
(70 Completed Capacity-Building Projects)*
(Scale of 1-10; 10 = best)

Quality of Adjustment Strategy	8.2
Extent of Community/Business/ Government Participation	8.5
Consistency of Implementation Efforts and the Adjustment Strategy	7.8
Quality of Technical Assistance Effort	8.8
Impact of Technical Assistance Effort	8.9
Quality of Feasibility/Market Study	9.1
Impact of Feasibility/Market Study	8.7

*These include all types of capacity-building projects, not just technical assistance projects.

Grantee Observations:
Capacity Building

- Capacity building allowed local areas to respond in a proactive and forward-moving way to the adverse impacts on their economies.
- Capacity-building projects were responsible for significant networking among various forms and levels of economic development agencies. This enabled greater use and leveraging of public and nonprofit funds.
- Capacity-building projects comprised technology transfer efforts wherein sophisticated methods of enhanced productivity were used to measure business adjustment to new technology.

PROJECT IMPACTS (GENERAL)

- Defense Adjustment Program impacts, due to the recency of the projects at the time of measurement (1997), are just beginning to become evident.
- Defense construction projects were nonetheless producing permanent jobs at relatively low costs; capacity-building technical assistance projects were producing smaller numbers of permanent jobs at somewhat higher costs. Capacity-building planning efforts and market/feasibility/reuse studies were perhaps more importantly laying the groundwork for ongoing defense construction projects.
- Defense adjustment projects were longer term, more intricate, and complex, and took longer to complete than traditional EDA-funded public works projects. Accordingly, they were somewhat less likely to be on schedule or to come in *under* budget than EDA public works projects. Nonetheless, 80 to 90 percent of defense adjustment projects were on schedule, and 90 to 100 percent were *at or under* budget.

CONCLUSIONS—STUDY #2

- As reported by grantees, EDA defense adjustment projects were one of the few avenues of flexible assistance available to communities faced with base closures.
- EDA funding was critical to most of these activities and was usually the primary source of initial funding to these grantees.
- Linkages between the Office of Economic Adjustment (OEA) and EDA were bolstered and strengthened by effective EDA regional planning (CEDs).

RLF PROGRAM PERFORMANCE EVALUATION (STUDY #3)

STUDY #3 OVERVIEW

- In 1965, the Public Works and Economic Development Act (PWEDA) authorized most of EDA's present grant programs. The RLF Program was added under Title IX in 1974. In 1998, the EDA Reform Act reauthorized EDA's programs for five years, without altering the agency's mission. In the 1998 act, RLFs were authorized through the EDA Section 209 Economic Adjustment Program.
- In FY 1998, the Economic Development Administration (EDA) commissioned an evaluation of its Revolving Loan Fund (RLF) Program to determine the extent to which EDA RLF grants achieve structural economic adjustment in the target area. This was the most comprehensive study of RLFs directed to economic development ever undertaken. It involved 450 grantees that issued close to 12,000 loans totaling more than \$670 million.

STUDY PROCEDURES

- The study was undertaken and delivered by the Center for Urban Policy Research (CUPR), Rutgers University, and involved participation by Economic Modeling Specialists Inc. (EMSI), the New Jersey Institute of Technology (NJIT), and The Epling Corporation (TEC). These four organizations prepared three reports totaling close to 950 pages. The reports were:⁷

1. *The Impact of Planning on EDA RLF Performance*
2. *The Impact of EDA RLF Loans on Economic Restructuring*
3. *EDA RLFs—Performance Evaluation*

PROJECT TYPE AND CONTEXT

Project Type

- The largest proportion of RLF loans were granted for business expansion purposes (55 percent, or approximately 6,300 loans) as opposed to business start-up or business retention purposes and were given to manufacturing (49 percent, or approximately 5,700 loans) as opposed to commercial or service businesses (Table 5).

Table 5
RLF Characteristics

Characteristic	Largest Distribution of Loans	Percentage of All Loans (%)	Number of Loans
Purpose	Expansion	55	6,300
Type	Manufacturing	49	5,700

Source: EDA RLF Semiannual Reports, October 1998.

Robert W. Burchell, Louis J. Pignataro, M. Henry Robison, John W. Epling, Joel R. Hamilton, William R. Dolphin, Catherine C. Galley, and others. *The Impact of Planning on EDA RLF Performance, The Impact of EDA RLF Loans on Economic Restructuring, and EDA RLFs—Performance Evaluation*. New Brunswick, N.J.: Center for Urban Policy Research, Rutgers University, 2002.⁷

The Context of RLF Loans

- RLF loans took place in counties where per capita income was 90 percent of state and federal medians. In current dollars, median per capita income was approximately \$12,881 in counties with RLF grantee sites.
- RLF loans took place in locations in which the share of the population with incomes below the poverty level was 10 percent worse than the state and/or national medians.
- RLF loans took place in locations where the unemployment rate was 10 percent worse than state and national averages. The average unemployment rate at RLF sites was 7.8 percent.

PROJECT COMPLETION

Loan Pool and Disbursement

- Of the 422 RLF grantees reporting, 414, or 98 percent, established a loan pool. The remaining 8 grantees returned most or all of the grant to EDA. Of the 414 grantees that established a loan pool, all (or 98 percent of the 422 original grantees) reported that their loan pool created or retained permanent jobs (Table 6).

Table 6
Loan Pools and Disbursement Schedule

Administrative Information	Number of Loan Pools	Percentage of Total (N=422)
Loan Pool Up and Running	414	98.0
Loan Pool Helped Create Jobs	414	98.0
Time to Loan Disbursement	Median Number of Years	
Years from Initial Disbursement	3.5	
Years from First Loan	3.5	

Source: EDA RLF Semiannual Reports, October 1998.

- EDA desired that the grantee disburse loans during the first three years after receipt of EDA funding. Currently, grantees are taking about 3.5 years from the time of receipt of funding from EDA.

PROJECT IMPACTS
RLF and Total Loan Amounts and Leverage Ratios

- The median RLF loan issued by EDA grantees was approximately \$56,600. This is the amount of money that the loan recipient received from the EDA grantee. Often that amount is packaged with other private and public moneys to provide a total amount of money that the loan recipient uses to undertake or sustain a business venture. This non-RLF portion was roughly \$119,700. The sum of this total financing package is approximately \$176,300. The relationship between the non-RLF and RLF portions of the moneys accessed by the loan recipient is the leverage ratio. If the first two median amounts are divided, this figure is approximately 2 to 1 (Table 7).

Loan Information	Median
EDA RLF Loan Amount	\$56,601
Non-EDA Source	\$119,718
Total Loan Amount	\$176,319
Leveraging Ratio	2.12 to 1

Source: EDA RLF Semiannual Reports, October 1998.

Preloan Jobs, Jobs Created/Saved, and Cost per Job

- RLF loans were made to small businesses for start-up, retention, or expansion purposes. In the last two categories, the median number of preloan employees was about six (Table 8).
- After the RLF loan was received, the number of new employees added was eight. In other words, as a direct result of the RLF loan, the employment at a site more than doubled. For every preexisting employee, RLF loans created 1.33 new jobs.
- EDA cost per job created or saved is calculated at the grantee level as of October 1998. The cost of the RLF Program at the grantee level is the sum of the RLF grant and the opportunity cost of disbursing the grant minus the current capital base, which includes repaid and committed RLF funds not yet disbursed, RLF funds reserved for loan guarantees, and the outstanding RLF principal on the active loans. At the grantee level, the cost per job is the total cost of the EDA program divided by the number of jobs created or retained by the loan recipients. The annual interest rate charged is the average 30-year federal Treasury bill rate for the year in which EDA funds were given. The EDA share of the total RLF grant is approximately 75 percent. The median EDA cost per job was about \$1,000 as of October 1998.



The co-owner of Speedee Oil Change and Tuneup stands with the RLF loan officer (left) in front of the refurbished auto oil and repair facility in Charleston. The \$70,000 RLF loan saved nine jobs and created four new jobs.

Loan Terms

- The interest rate charged to RLF loan recipients during the period from the late-1970s through the late-1990s was approximately 1.25 percent below the prime rate: the percentage below prime varied from a high of 5.75 percent during the late-1970s to a low of 0.15 percent during the early 1990s (Table 9).

Performance of Loans

- Loans for which a payment has not been made for more than two months are in default. Others with six or more months of nonpayment are written off. The average rate of default/write-off for EDA RLF loans found in this study was 8.6 percent (Table 10). This was only about 5.6 percentage points higher than the default rate of standard commercial mortgages (3 percent). This is a remarkable figure since most of the EDA RLF loan recipients were turned down by commercial banks or mortgage companies or never applied for a loan because they knew they would be turned down.
- Another measure of loan performance is growth of the loan pool. In other words, is the money fund increasing over time? The definition of fund composition is principal and interest repayments minus bad debt. The average RLF loan pool grew in simple terms (not compounded) at a rate of 1.1 percent per year. In 10 years, the loan pool was 11 percent larger than it had been at its beginning (Table 10).

Job Information	Median
Preloan Jobs(excluding start-ups)	6.0
Jobs Created/Saved	8.0
Cost per Job	\$936

Source: EDA RLF Semiannual Reports, October 1998.

	Median	Range Over Time
Loan and Interest Rate	7.50%	6.0%–10.0%
Percentage below Prime	1.25%	0.15%–5.75%

Source: EDA RLF Semiannual Reports, October 1998.

Default/Write-Off Rate (mean)	8.6%
Decade Loan Pool Growth (median)	11.0%

Source: EDA RLF Semiannual Reports, October 1998.

Employment	
Minority	17.6%
Women	20.0%
Ownership	
Minority	2.1%
Women	7.1%

Source: EDA RLF Semiannual Reports, October 1998.

PROJECT IMPACTS (GENERAL)

Employment and Ownership Diversity

- On average, EDA RLF loans produced employment that was approximately 17 percent minority (African American, Asian, Hispanic, Native American) and 20 percent women (Table 11). These two figures overlap and are therefore not additive.

- Further, EDA RLF loans produced businesses that in 2.1 percent of the cases were owned (more than 50 percent) by minorities and in 7.1 percent of the cases were owned by women (Table 11).

EDA RLFs and Economic Restructuring

- Economic restructuring occurs when:
 1. The number of different industry types increases (economic diversification)
 2. Workers are paid a higher wage (earnings per worker)
 3. Industries with higher technical-skill requirements grow disproportionately (economic stage)
 4. More products are developed locally rather than brought in from outside (import dependence is lessened)



Image Graphics, Inc. is a printing firm serving an international market. Since receiving an RLF loan, its gross sales have increased from approximately \$140,000 per month to \$1 million per month. The firm has grown from 20 to 45 employees, a net increase of 25 new jobs.

Results of the EDA RLF Structural Change Evaluation

- EDA loans created positive economic restructuring in most counties where this change could be measured.
- EDA loans were most effective as structural-change agents where the job base was small and the EDA loan was significant.

CONCLUSIONS—STUDY #3

- An RLF is one of the most effective tools available to economic development agencies in their efforts to directly affect the long-term economic vitality of an area by creating businesses that diversify, and fill gaps in, the local economy. An RLF is the only tool available to many economic development agencies that provide financial assistance directly to the business community. The EDA RLF Program created public-private networks and public-private partnerships that became a “revolving fund of opportunities” to further economic development.
- EDA RLF loans enable businesses to prosper that would not have prospered under conventional lending guidelines. The program was successful in almost every instance that a loan was given, and it produced jobs at relatively low costs to the taxpayer. The program further provided employment access to minorities and females at ratios of about one in five each and provided ownership access to minorities and females at ratios of one in 50 and one in 15, respectively. The EDA RLF Program achieved its intended results with high levels of accomplishment and low levels of risk and cost.
- The EDA RLF Program was supported by effective regional economic planning in the form of the EDA Comprehensive Economic Development Strategy (CEDS) and good program planning in the form of the EDA RLF Plan.